

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

NML CAPITAL, LTD.,

Plaintiff,

v.

THE REPUBLIC OF ARGENTINA,

Defendant.

AURELIUS CAPITAL PARTNERS, LP, et al.,

Plaintiffs,

v.

THE REPUBLIC OF ARGENTINA,

Defendant.

BLUE ANGEL CAPITAL I LLC,

Plaintiff,

v.

THE REPUBLIC OF ARGENTINA,

Defendant.

**USDC SDNY**  
**DOCUMENT**  
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x : 08-cv-6978 (TPG)  
  : 09-cv-1707 (TPG)  
  : 09-cv-1708 (TPG)  
  : 14-cv-8601 (TPG)  
  : 14-cv-8988 (TPG)

x :  
  : 09-cv-8757 (TPG)  
  : 09-cv-10620 (TPG)  
  : 10-cv-1602 (TPG)  
  : 10-cv-3507 (TPG)  
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  : 10-cv-8339 (TPG)  
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  : 10-cv-4101 (TPG)  
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  : (*captions continue on*  
  : *following pages*)

**OPINION AND ORDER**

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OLIFANT FUND, LTD., :  
: :  
Plaintiff, :  
: :  
v. : 10-cv-9587 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
: :  
Defendant. :  
----- :  
x  
VARELA, et al., :  
: :  
Plaintiffs, :  
: :  
v. : 10-cv-5338 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
: :  
Defendant. :  
----- x  
FFI FUND, LTD. and FYI LTD., :  
: :  
Plaintiffs, :  
: :  
v. : 14-cv-8630 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
: :  
Defendant. :  
----- x  
EM LTD., :  
: :  
Plaintiff, :  
: :  
v. : 14-cv-8303 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
: :  
Defendant. :  
----- x

----- x  
PEREZ, et al., :  
Plaintiffs, :  
v. : 14-cv-8242 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
Defendant. :  
----- :  
x  
LIGHTWATER CORP. LTD., :  
Plaintiff, :  
v. : 14-cv-4092 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
Defendant. :  
----- x  
OLD CASTLE HOLDINGS, LTD., :  
Plaintiff, :  
v. : 14-cv-4091 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
Defendant. :  
----- x  
CAPITAL VENTURES INTERNATIONAL, :  
Plaintiff, :  
v. : 14-cv-7258 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
Defendant. :  
----- x

----- x  
TRINITY INVESTMENTS LIMITED, :  
: .  
Plaintiff, : .  
: 14-cv-10016 (TPG)  
v. : .  
: 15-cv-1588 (TPG)  
: .  
15-cv-2611 (TPG)  
THE REPUBLIC OF ARGENTINA, : .  
: 15-cv-5886 (TPG)  
  
Defendant. : .  
----- : .  
x  
MCHA HOLDINGS, LLC, : .  
: .  
Plaintiff, : .  
: 14-cv-10064 (TPG)  
v. : .  
: 14-cv-7637 (TPG)  
: .  
15-cv-2577 (TPG)  
THE REPUBLIC OF ARGENTINA, : .  
: 15-cv-5190 (TPG)  
  
Defendant. : .  
----- : .  
x  
SETTIN, : .  
: .  
Plaintiff, : .  
: .  
v. : .  
: 14-cv-8739 (TPG)  
THE REPUBLIC OF ARGENTINA, : .  
: .  
Defendant. : .  
----- : .  
x  
PROCELLA HOLDINGS, L.P., : .  
: .  
Plaintiff, : .  
: .  
v. : .  
: 15-cv-3932 (TPG)  
THE REPUBLIC OF ARGENTINA, : .  
: .  
Defendant. : .  
----- : .  
x

----- ADAMI, et al.,  THE REPUBLIC OF ARGENTINA,  -----  CAPITAL MARKETS FINANCIAL SERVICES INC., et al.,  THE REPUBLIC OF ARGENTINA,  -----  FOGLIA, et al.,  THE REPUBLIC OF ARGENTINA,  -----  PONS, et al.,  THE REPUBLIC OF ARGENTINA,	x : : Plaintiffs, : v. : Defendant. : x : : Plaintiffs, : v. : Defendant. : x : : Plaintiffs, : v. : Defendant. : ----- x	 : : 14-cv-7739 (TPG) : : : : : 15-cv-0710 (TPG) : : : : 14-cv-8243 (TPG) : : : 13-cv-8887 (TPG) : : : x
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GUIBELALDE, et al., :  
: :  
Plaintiffs, :  
: :  
v. : 11-cv-4908 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
: :  
Defendant. :  
----- :  
x  
DORRA, et al., :  
: :  
Plaintiffs, :  
: :  
v. : 14-cv-10141 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
: :  
Defendant. :  
----- x  
BELOQUI, et al., :  
: :  
Plaintiffs, :  
: :  
v. : 14-cv-5963 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
: :  
Defendant. :  
----- x  
TORTUS CAPITAL MASTER FUND, LP, :  
: :  
Plaintiff, :  
: :  
v. : 14-cv-1109 (TPG)  
THE REPUBLIC OF ARGENTINA, : 14-cv-3127 (TPG)  
: :  
Defendant. :  
----- x

----- x  
ANDRAREX LTD., :  
: Plaintiff, :  
: v. : 14-cv-9093 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
: Defendant.  
----- :  
: x  
CLARIDAE, et al., :  
: Plaintiffs, :  
: v. : 14-cv-10201 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
: Defendant.  
----- : x  
MONTREUX PARTNERS, L.P., :  
: Plaintiff, :  
: v. : 14-cv-7171 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
: Defendant.  
----- : x  
LOS ANGELES CAPITAL, :  
: Plaintiff, :  
: v. : 14-cv-7169 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
: Defendant.  
----- : x

----- x  
CORDOBA CAPITAL, :  
: Plaintiff, :  
: v. : 14-cv-7164 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
: Defendant.  
----- :  
: x  
WILTON CAPITAL, LTD., :  
: Plaintiff, :  
: v. : 14-cv-7166 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
: Defendant.  
----- : x  
ARAG-A LIMITED, et al., :  
: Plaintiffs, :  
: v. : 14-cv-9855 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
: Defendant.  
----- : x  
ATTESTOR MASTER VALUE FUND LP, :  
: Plaintiff, :  
: v. : 14-cv-5849 (TPG)  
THE REPUBLIC OF ARGENTINA, :  
: Defendant.  
----- : x

ANGULO, et al.,	x	
	:	
	Plaintiffs,	
v.	:	
THE REPUBLIC OF ARGENTINA,	:	15-cv-1470 (TPG)
	:	
	Defendant.	
	:	
	x	
LAMBERTINI, et al.,	:	
	:	
	Plaintiffs,	
v.	:	
THE REPUBLIC OF ARGENTINA,	:	15-cv-1471 (TPG)
	:	
	Defendant.	
	:	
	x	
HONERO FUND I, LLC,	:	
	:	
	Plaintiff,	
v.	:	
THE REPUBLIC OF ARGENTINA,	:	15-cv-6702 (TPG)
	:	15-cv-1553 (TPG)
	Defendant.	
	:	
	x	
BANCA ARNER S.A., et al.,	:	
	:	
	Plaintiffs,	
v.	:	
THE REPUBLIC OF ARGENTINA,	:	15-cv-1508 (TPG)
	:	
	Defendant.	
	:	
	x	

----- x  
WHITE HAWTHORNE, LLC, :  
: :  
Plaintiff, :  
: :  
v. : 15-cv-4767 (TPG)  
: :  
THE REPUBLIC OF ARGENTINA, :  
: :  
Defendant. :  
: :  
----- : x  
ERCOLANI, et al., :  
: :  
Plaintiffs, :  
: :  
v. : 15-cv-4654 (TPG)  
: :  
THE REPUBLIC OF ARGENTINA, :  
: :  
Defendant. :  
: :  
----- : x  
FAZZOLARI, et al., :  
: :  
Plaintiffs, :  
: :  
v. : 15-cv-3523 (TPG)  
: :  
THE REPUBLIC OF ARGENTINA, :  
: :  
Defendant. :  
: :  
----- : x  
STONEHILL INSTITUTIONAL PARTNERS, :  
L.P. et al., :  
: :  
Plaintiffs, :  
: :  
v. : 15-cv-4284 (TPG)  
: :  
THE REPUBLIC OF ARGENTINA, :  
: :  
Defendant. :  
: :  
----- : x

----- x  
VR GLOBAL PARTNERS, LP, :  
: :  
Plaintiff, :  
: :  
v. : 11-cv-8817 (TPG)  
: :  
THE REPUBLIC OF ARGENTINA, :  
: :  
Defendant. :  
: :  
----- x  
BYBROOK CAPITAL MASTER FUND LP et :  
al., :  
: :  
Plaintiffs, :  
: :  
v. : 15-cv-2369 (TPG)  
: 15-cv-7367 (TPG)  
: :  
THE REPUBLIC OF ARGENTINA, :  
: :  
Defendant. :  
: :  
----- x

### **OPINION AND ORDER**

In 1994, the Republic of Argentina began issuing bonds pursuant to a Fiscal Agency Agreement (“FAA”), which contains a *pari passu* clause. After the Republic suffered an economic crisis in 2001, it defaulted on its debts, including the FAA bonds. For many years, the Republic never paid anything on the FAA bonds, and plaintiffs who held beneficial interests in those bonds began filing actions against the Republic in this court.

In 2010, a group of plaintiffs in thirteen actions filed motions for partial summary judgment, asking the court to declare that the Republic had violated the *pari passu* clause. After the court granted those motions, the plaintiffs

moved for specific performance, seeking a remedy for the Republic's violation of the *pari passu* clause. Although the *pari passu* clause does not itself require a particular remedy, the court fashioned injunctions to address the Republic's refusal to pay plaintiffs anything.

In early 2015, a group of "me too" plaintiffs filed similar motions for partial summary judgment. As their name suggests, these plaintiffs sought the same *pari passu* ruling that the other plaintiffs had obtained in the original thirteen actions. "Me too" plaintiffs in forty-nine actions then filed motions for specific performance, seeking injunctions like those issued in the original actions. The court granted the motions on October 30, 2015. This meant that plaintiffs in a total of sixty-two actions had obtained injunctions against the Republic.

On February 11, 2016, the Republic of Argentina filed motions to vacate the injunctions in all sixty-two actions. After full briefing on the motions, the court issued an Indicative Ruling in the forty-nine "me too" actions alone. In the Indicative Ruling, the court explained that it did not presently have jurisdiction over the injunctions in the "me too" actions because of a pending appeal, but the court indicated that it would vacate the injunctions if the Court of Appeals remanded for that purpose.

The Court of Appeals held oral argument on February 24, 2016, at which time the Republic agreed to voluntarily dismiss two pending appeals that implicated both the original injunctions and the "me too" injunctions. Accordingly, the Court of Appeals returned jurisdiction to this court and remanded to allow this court to enter the Indicative Ruling as an order. The

Republic then moved the court to enter that order and thereby vacate the injunctions.

The parties have extensively briefed the issues, both before and after remand. And at a hearing on March 1, 2016, the court gave all interested parties the opportunity to be heard, allowing moving, answering, reply, and sur-reply argument. Upon consideration of all arguments and the equities in each case, the court hereby formally enters the Indicative Ruling as an order and vacates the injunctions.

It should be noted that vacating the injunctions in no way impedes the settlement negotiations now taking place. Nor does it prevent acceptance of the Republic's Proposal for settlement, which remains open. Plaintiffs who have not settled may continue to negotiate with the Republic. Moreover, as the record makes clear, claims made by certain plaintiffs that they have had "no opportunity" to negotiate are exaggerated. The court expects the Republic to continue to negotiate with the remaining non-settling plaintiffs.

There is a pressing need for certainty and finality. If some plaintiffs choose to appeal this order, that is their right. But appeals must happen promptly to ensure the certainty and finality needed for existing settlements to succeed. The Argentine Congress must know where it stands, and all parties must act diligently to consummate these settlements. At least one Agreement in Principle with four major bondholders calls for payment by mid-April. The Republic needs

time to raise the capital required to pay all plaintiffs with whom it has reached agreement.

Despite this reality, certain plaintiffs ask the court to grant them thirty more days to settle their claims. Further delay could seriously erode the Republic's ability to move forward and raise the capital necessary to fund the settlements. Moreover, the Court of Appeals has *already* entered a stay of this order of up to two weeks, which will give those plaintiffs ample time to continue negotiations. More importantly, this court's order places no limit on plaintiffs' ability to reach agreements with the Republic beyond that point. Even if some plaintiffs choose to appeal, they may continue to negotiate. The only difference is that the court has now held that the injunctive relief it once deemed equitable is no longer so. The injunctive relief cannot be allowed to be used as a tool for leverage in negotiations.

The court also wishes to note three recent developments that buttress the court's prior finding that the injunctions are no longer equitable or in the public interest. First, the Republic has now signed Agreements in Principle with plaintiffs representing the vast majority of claims in these actions. The total settlement consideration now amounts to at least \$6.2 billion, potentially resolving over 85% of claims held by plaintiffs with injunctions. Second, the Republic has abandoned all former challenges to the injunctions by voluntarily dismissing with prejudice the two appeals pursued by the Republic's prior administration, thus showing a completely changed attitude. Third, yesterday President Macri addressed the Argentine Congress to urge approval of

settlements in this litigation—an important step toward fulfilling a condition of this order.

The court appreciates the arguments presented by all parties who spoke at yesterday's hearing. And the court does not take lightly the decision to lift the injunctions. But, ultimately, circumstances have changed so significantly as to render the injunctions inequitable and detrimental to the public interest. For the reasons outlined in the Indicative Ruling and this order, the court grants the Republic's motions to vacate the injunctions in all actions upon the occurrence of the two conditions precedent:

- (1) The Republic repeals all legislative obstacles to settlement with the FAA bondholders, including the Lock Law and the Sovereign Payment Law;
- (2) For all plaintiffs that entered into agreements in principle with the Republic on or before February 29, 2016, the Republic must make full payment in accordance with the specific terms of each such agreement. The Republic must also notify the court once those plaintiffs have all received full payment.

SO ORDERED

Dated: New York, New York  
March 2, 2016



Thomas P. Griesa  
United States District Judge